



DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35957]

Michael Williams—Control Exemption—SDR Holding Company

Michael Williams (Williams), a noncarrier individual, has filed a verified notice of exemption pursuant to 49 CFR 1180.2(d)(2), to continue in control of SDR Holding Company (SDR), upon its acquisition of control of Dakota Southern Railway Company (Dakota Southern), a Class III rail carrier.<sup>1</sup>

According to Williams, SDR and Dakota Southern entered into a stock purchase agreement dated September 30, 2009, by which SDR acquired all of Dakota Southern's stock.<sup>2</sup>

The exemption will become effective on December 29, 2015.

According to Williams, he currently owns and controls the following Class III rail carriers: (1) BG & CM Railroad (76.2 miles of rail line in Idaho); (2) Ozark Valley Railroad (24.99 miles of purchased and leased rail line in Missouri); (3) St. Maries River Railroad (71 miles of rail line in Idaho); (4) McCloud Railway (19.6 miles of rail line in

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<sup>1</sup> This notice was originally filed on September 15, 2015. On October 14, 2015, the Board served a decision holding the proceeding in abeyance and directing Williams to file supplemental information by November 3, 2015. Williams filed the supplemental information on November 3, 2015. George A. Huff submitted a comment on November 10, 2015. Williams filed a response on December 2, 2015. On December 10, 2015, the Board served a decision permitting publication of the notice based upon Williams' November 3 supplemental filing.

<sup>2</sup> Williams filed a copy of the stock purchase agreement with the notice of exemption. (Williams Notice, Ex. B.)

California); and (5) Boot Hill & Western Railway Holding Co., Inc. (10.2 miles of rail line and the right to reactivate service on 15.8 miles of rail-banked rail line in Kansas).

Williams certifies that: (1) Dakota Southern does not connect with any other railroads owned and controlled by Williams; (2) the proposed transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the proposed transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323 pursuant to 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here because all of the carriers involved are Class III carriers.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed by December 22, 2015 (at least seven days before the exemption becomes effective).

An original and ten copies of all pleadings, referring to Docket No. FD 35957, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington,

DC 20423-0001. In addition, a copy of each pleading must be served on: Charles H. Montange, Law Offices of Charles H. Montange, 426 NW 162d St., Seattle, WA 98177.

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Decided: December 10, 2015.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Kenyatta Clay

Clearance Clerk

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